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—
Chair

The Honourable Hedy Fry

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•(1535)

[English]

The Vice-Chair (Ms. Irene Mathysen (London—Fanshawe, NDP)): Thank you very much.

I'd like to welcome our guests from Human Resources and Social Development Canada. I thank you for being here today and ask you to begin. You have 10 minutes to make your presentation.

Mr. Dominique La Salle (Acting Senior Assistant Deputy Minister, Income Security and Social Development, Department of Human Resources and Social Development Canada): Thank you very much, Madam Vice-Chair and committee members, for inviting us today

My name is Dominique La Salle. I'm acting senior assistant deputy minister for income security and social development at HRSDC. I understand you're most interested in being provided with an overview of Canada's retirement income system, the dropout provision of the CPP, registered pension plan coverage, and governmental roles in relation to pensions.

I will do a brief presentation. My colleague Thomas Shepherd, who is director of the division of retirement and aging at HRSDC, will follow up. I am also thankful that my colleagues Heather Bordeleau, who is director of CPP policy, and Nathalie Martel, who is director of OAS policy, are here today. Each of them is responsible for over \$30 billion of spending annually, and they will help me get out of any trouble I get into.

I will provide a general overview of the retirement income system and speak to the public elements of the system.

[Translation]

The primary role of Canada's retirement income system is to provide Canadians with adequate and stable income in retirement. The system aims to accomplish two key objectives. The first is to prevent and alleviate low income among Canadians 65 years of age and over, and the second is to help Canadians avoid a significant decline in their standard of living when they retire.

Canada's retirement income system is made up of three pillars. The first, Old Age Security, is a virtually universal non-contributory public pension provided to 98% of Canadians 65 years of age and older. Some 4.4 million seniors receive the OAS benefit annually; 2.5 million women and 1.9 million men.

OAS pensioners with little or no other income are also eligible for the Guaranteed Income Supplement. In 2008, there were 1.6 million recipients of GIS; one million women and 0.6 million men. The

current average monthly benefit for OAS is \$489 per month and the average monthly benefit for GIS for a single individual is \$447 per month.

The Canada Pension Plan and Quebec Pension Plan make up the second pillar of our RIS. These plans are mandatory contributory pensions for workers, funded in equal parts by the employer and employee. In 1980, there were 8.4 million contributors to CPP, of which approximately 5.1 million were male and 3.3 million were female.

By 2007, the number of workers contributing to the program had risen substantially to approximately 12.5 million. The increase was more pronounced for women, who rose to 5.9 million contributors. Women now constitute 47% of all contributors. With regard to recipients of CCP retirement pensions, as of July 2009, 50.5% were women and the average monthly benefits provided are \$578 for men and \$368 for women.

The first two pillars of our system that I have just described play an essential role in reducing poverty among seniors. In this area, Canada is a world leader. The public system, made up of these two pillars, constitutes a modest retirement income base to build on.

My colleague will talk about the third pillar, which is voluntary and consists mainly of registered pension plans and registered retirement savings plans.

•(1540)

[English]

Let me turn to how the public system assists women.

Canada's public pension system recognizes the contributions that all Canadians make to society. It recognizes the important contributions made by those who forgo participation in the paid workforce to stay home to care for their children and other dependants. Historically, this group has largely been made up of women, and while more men are also providing care, it is still the case today. Both the OAS and the CPP contain several design features that are of particular relevance in helping to protect the financial well-being of women. I will expand on these elements after providing a general overview of Canada's public sector programs.

The OAS benefits are intended to provide partial income security for senior Canadians in recognition of the contribution they have made to Canadian society and the economy. As employment history is not a factor in determining eligibility, those who have had limited or no engagement in paid work can receive OAS benefits. This feature is particularly helpful for women who may have had frequent interruptions in their labour market participation or for women who worked at home instead of the paid labour force.

The benefits under the OAS program include the basic monthly OAS pension, the guaranteed income supplement for low-income seniors, and the allowance for low-income spouses and common law partners of GIS recipients, or survivors aged 60 to 64. The GIS is an income-tested benefit under the OAS program that ensures that the overall income of seniors does not fall below a specific threshold. All benefits are indexed quarterly to ensure that the value of OAS benefits is maintained over time.

OAS benefits help all seniors, but women in particular. Women constitute more than half of OAS pensioners, two-thirds of GIS recipients, and 90% of allowance recipients. In fact, the purpose of the allowance is aimed directly at life events that impact women more frequently, given their higher likelihood of becoming widows.

In 2007 the GIS earnings exemption was increased from \$500 to \$3,500, which allowed GIS recipients to keep more of their GIS benefit. Women constitute over half of those who will benefit from this measure.

Turning to the Canada Pension Plan, it provides contributors and their families with basic income replacement upon retirement, disability, or death of a wage earner. It covers workers in all sectors of the economy, including those working in non-standard arrangements and the self-employed, both of which are important sectors for women.

In providing coverage to contributors, there are several provisions within the CPP that recognize the value of unpaid work. These include a general dropout provision, the child rearing provision, credit splitting, pension sharing, and the surviving spouse's pension. Women are the primary beneficiaries of many of these benefits and provisions.

The CPP's general dropout provision allows 15% of the months or years of lowest earnings to be excluded from the calculation of pension benefits. This provision is intended to compensate for times out of the paid workforce for any reason. It therefore helps caregivers offset the negative financial impacts on their CPP retirement pensions of reduced time of paid work. Last week, legislation was tabled in Parliament to increase this provision to 16% in 2012 and 17% from 2014 onwards, up to a maximum of eight years of benefit protection from reduced or no contributions to the plan.

The CPP child rearing provision helps parents who had periods of low or no earnings associated with caring for children under the age of seven by excluding those years in the calculation of their CPP retirement pensions. This is, of course, particularly beneficial to women who are more likely to reduce labour force participation to care for their young children.

The CPP allows for credit splitting, which is the division of CPP contributory credits upon divorce or separation of married spouses or breakdown of a common law union. It enables former spouses and partners to equally share CPP credits earned during the period of cohabitation. Through credit splitting, the CPP recognizes the contribution to families and society made by both spouses through paid employment, unpaid work in the home, or both. It ensures that former spouses receive their equal share of the CPP credits earned through their joint efforts. In 2005, 95% of all credit-splitting applicants were women, the vast majority of whom benefited from the provision.

● (1545)

For couples already receiving CPP retirement pensions, pension sharing is permitted. Spouses and common law partners in an ongoing relationship may share their CPP retirement pensions equally, taking into account the period of their cohabitation. In situations where one spouse or partner had significantly higher earnings than the other, this could result in tax savings for the couple. In cases where a woman had made few or no contributions to the CPP, pension sharing creates a payment in her own name.

As well, the CPP provides a survivor's pension to eligible spouses in the event of a contributor's death. Criteria such as the age of the survivor, whether the survivor is maintaining any dependent children, or has a disability are considered in determining eligibility and the amount of the pension benefits. In 2008, 84% of survivors were women.

As a social insurance plan, the CPP strives to strike an affordable balance between protecting women for periods of low or no earnings and the requirement for contributions. Given its universality, portability, long-term financial sustainability, price-indexed benefits, and family-friendly policies, the CPP is a world-class pension program.

Its financial footing is solid. At the current contribution rate, the chief actuary of Canada has attested that it is sustainable for the next 75 years.

I will now turn to my colleague Thomas Shepherd.

Mr. Thomas Shepherd (Director, Retirement and Aging Division, Department of Human Resources and Social Development Canada): I will speak to how the system has performed as a whole in achieving its objectives, focusing on the situation of women. Then I'll delve further into the private pillar and the questions you had about pension coverage and DB and DC plans.

In general, income levels for seniors have been growing. In 1980 the median after-tax income for seniors in a family of two or more was \$33,600. This increased to over \$40,000 in 2005. For unattached senior women, median after-tax income increased from \$13,300 in 1980 to \$19,100 by 2005. For unattached male seniors, the increase was from over \$14,000 to over \$20,000 in that same period.

The incidence of low income among seniors has decreased sharply for all family types since 1980. The percentage of seniors living below the after-tax low-income cut-off in 1980 was 21.4%, and by 2007 it had decreased to 4.8%. When we look at seniors living alone, men and women experienced a similar trend. In 1980 the percentage of unattached senior women living in low income was 57%. It was 47% for unattached men. By 2007 only 14.3% of unattached women lived below the low-income cut-off. Unattached men were doing slightly better at 13%. Looking to the future, this downward trend could continue among women, given their increasing participation in the labour force and contributions to CPP, registered pension plans, and RRSPs.

Sources of retirement income differ by age. Women rely more heavily on the public system than men, but the makeup of women's retirement income has been changing over time. There has been a general shift within the income sources in retirement that basically reflects paid labour force participation. Between 1980 and 2005, women's reliance on the public system remained the same, around 52%; however, it shifted from primarily OAS and GIS to work-related pension. It went from 13.7% from the CPP in 1990 to 20% in 2005. In other sources of income women have also experienced a shift, with increased income from registered pension plans and RRSPs, from 11.6% in 1990 to 27.3% in 2005.

Changes in labour force participation have played the primary role in the changes in the composition of women's retirement income. In 1976, 46% of women aged 15 or over were part of the paid workforce. By 2008 this had increased to 63%. For men the trend is a slight decrease in that time period, from 78% to 73%, but most striking is the increase in women aged 25 to 44 participating in paid labour: 54% in 1976, up to 82% in 2008.

With these increases in labour force participation we have seen increases in registered pension plan coverage and RRSP contributions for women. In 1979, 36.1% of women working in the labour force were members of an RPP. By 2006 this had increased to 38.9%. However, overall RPP coverage for workers dropped from 45.8% to 38%. This is because men's coverage has fallen from 52% in 1979 to 37.5% in 2006. Basically, the RPP coverage rate among women has surpassed that of men in 2007.

Perhaps more important, when you look at the length of time workers contribute to an RPP, using the Lifepaths microsimulation model, we see that 15% of women aged 65 in 1990 had contributed to an RPP for at least 15 years, compared to 29% for men, a substantial gap in 1990. Since then, however, this gap has been shrinking and is projected to continue to do so. This model projects that by 2017, 33% of women aged 65 will have contributed to an RPP for at least 15 years compared to 36% of men, a much smaller difference.

When we look more closely at RPP coverage, there are different trends when comparing defined benefit plans and defined contribu-

tion plans. DB plans provide more predictable lifetime benefits, generally based on years of service and usually as a fixed percentage of salary. Defined contribution plans are individual accounts into which employers and employees contribute. The pension received by an employee in a DC plan depends in part on the investment returns earned. Overall, DB coverage has declined from 43.5% in 1979 to 30.6% in 2006, while coverage in defined contribution plans has grown from 2.4% in 1979 to 6% in 2006. In 2006, 32.3% of women in the labour force were members of a defined benefit plan compared to 29.1% of men. So again, it was slightly higher than among men.

• (1550)

We've also seen an increase in RRSP contributions for both men and women since the 1980s. The proportion of women aged 35 to 39 contributing increased from 9% in 1981 to 31% in 2001. During that time period, the proportion of men aged 35 to 39 contributing rose from 21% to 38%. So although there remains a gap between men and women, it has been narrowing significantly over time.

Now I'll just speak briefly to your questions about the role of government within the system.

[*Translation*]

The Government of Canada is responsible for the first pillar of the RIS and shares responsibility for the second and third pillars with the provinces. The Government of Canada is a co-steward with provincial governments of both CPP and the CPP tri-annual reviews. Administering or delivering the plan is the Government of Canada's responsibility.

For the third pillar, the Government of Canada, through the Department of Finance, is responsible for setting the overall incentive structure for RPPs and other savings vehicles through the tax system. RPP regulation is divided among the two levels of government. The Government of Canada, through the Office of the Superintendent of Financial Institutions and the Department of Finance, is responsible for all federally-regulated employer plans (approximately 7 % of all plans currently) while the provinces are responsible for the remainder of plans in Canada. Examples of federally-regulated plans include: pension plans for some federal crown corporations, banks, companies involved in inter-provincial and/or international transportation, and communications companies. More detailed information on this issue is available from officials with the Department of Finance.

In conclusion, to date, Canada's retirement income system has done very well in achieving its key objectives, and in increasing pension security among all seniors, both men and women. Looking at women specifically, the overall trends are positive. Senior women's incomes have been growing and their poverty rate has declined dramatically over the last two to three decades. It is a fact however, that the majority of seniors remaining in low income are women, largely given their lack of past labour force participation. For example, in 2005, 80% of unattached low-income seniors were women. Nonetheless, the situation is likely to improve over time given that more and more Canadian women are contributing to and benefiting from work-based pensions such as the C/QPP as well as employer-sponsored pensions and RRSPs. As we have indicated, the pension coverage and savings gaps between women and men have been shrinking and are likely to continue to do so.

● (1555)

[English]

Madam Chair, and members of the committee, this concludes our opening remarks, and we welcome any questions.

The Chair (Hon. Hedy Fry (Vancouver Centre, Lib.)): Thank you very much.

I think we will now proceed to the questions. I want to apologize to everyone for being late. I had to participate in a scrum, and they tend to go a little bit over time. I'm very sorry about that. I know that the vice-chair did an extraordinarily good job of beginning the meeting.

The first round is going to be seven minutes, and that means seven minutes for the question and the answer. I wanted to remind everyone of that.

First is Anita Neville.

Hon. Anita Neville (Winnipeg South Centre, Lib.): Thank you, Madam Chair.

Thank you all for coming on what I assume was relatively short notice for you to prepare this document. And thank you, because you've given us a lot of information here, probably more information than I know the questions to ask. I'm hoping that at some point you'll come back as we gain further information so that we can question you with more knowledge.

You talk about women constituting more than half of OAS pensioners, two-thirds of GIS recipients, and 90% of allowance recipients. Have you projected those figures out 10 to 20 years?

Ms. Nathalie Martel (Director, Old Age Security Policy, Department of Human Resources and Social Development Canada): Hi.

We don't have any numbers with us today, but we can look at the projections made by the office of the chief actuary. They've done a lot of projections. I can check to see if they've done any projections based on gender.

So I can get back to you on that.

Hon. Anita Neville: Thank you.

That just raises another question—namely, in any projection that you do, any information that you gather, is it all disaggregated by gender? Is everything done with a gender lens as well?

Ms. Nathalie Martel: All of our projections are made by the office of the chief actuary, so I will check with them.

Hon. Anita Neville: Okay. Thank you.

Mr. Dominique La Salle: Perhaps I can venture something here.

I would think that because of the difference in life expectancy between genders, the chief actuary would certainly disaggregate his projections in some fashion. These are done every three years, these actuarial projections of the cost of OAS, CPP, and other programs.

Hon. Anita Neville: When you look at current rates in all programs, do you look at them in the context of the increasing cost of living? Does that factor into your discussions?

Mr. Dominique La Salle: There are assumptions made in terms of how the economy will grow, the inflation rate, and so on and so forth. They're based on what would be an acceptable real rate of return on investments, for example, and factor in the cost of inflation.

Mr. Thomas Shepherd: The programs themselves are also indexed.

Hon. Anita Neville: No, I'm aware of that. I'm just...

In your conclusion, you say that the overall trends are positive. I would like to believe it, but I'm skeptical. We know that women are frequently employed in more precarious employment. We have a report from Statistics Canada on that. It affects women's ability to plan for their retirement.

We know that women frequently leave the workforce often not realizing, although I think maybe I'm speaking for myself there, the impact it will have on their pensions when they choose to stay home for whatever purpose. Do you have any public education system in terms of, "This is what kind of earnings will result if you do X, Y, and Z", or is it just, "These are the facts"?

● (1600)

Mr. Dominique La Salle: You're touching on the issue of financial literacy a little bit.

Hon. Anita Neville: Financial literacy particularly as it relates to the impact of one's behaviour, in or out of the workforce, on pensions.

Mr. Dominique La Salle: On that per se, I don't think so; I don't think that exists.

On the issue of financial literacy, there is no question that Canadians could learn a few more things. It's difficult; we find, and this is the international experience as well, that people tend to focus on this thing later on in their lives. Pensions and so on are not of particular concern to you when you're in your twenties.

Hon. Anita Neville: My point exactly.

Mr. Dominique La Salle: So we should do more to educate, I concur.

There was a task force announced in budget 2009 to look at the issue of financial literacy.

Hon. Anita Neville: I'm jumping all over because I have lots of questions, and they're all disconnected.

The government introduced pension splitting. I have met with many seniors in my riding who know that pension splitting benefits only when you have someone to split a pension with. Many, as you've identified, are single women who don't.

Has there been any thought or any plan on how they may benefit financially to compensate for the lack of someone to split a pension with?

Mr. Dominique La Salle: I would not venture a comment on that. This is entirely within the purview of the tax system, which is the Department of Finance. It's a tax policy issue.

Hon. Anita Neville: Okay, all right. That was probably unfair of me to ask that question.

What are your projections, given their increased labour force attachment, as it benefits women in their pensions?

Mr. Thomas Shepherd: Again, we did go through a lot of statistics fairly quickly, but the key one I would highlight is the projection of the proportion of women reaching age 65 who will have at least 15 years of contributions to a private pension, because that indicates that they're not only members in any given year, but they have a substantial base of contributions.

The projection is that it will have increased from about 15% of women reaching age 65 to about 33%, and the projection is that men will be about 36%. When you look at all these, as we do on a regular basis, but more specifically in relation to this request, the trends are strongly positive. As I mentioned, you now have a larger proportion of the women's workforce who are contributing to an RPP, and more with the defined benefit plan. We're looking into why this is the case. It's partly due to the overrepresentation of women in the public sector, because pension coverage is much, much higher in the public sector than in the private sector, so there's some balancing effect there that balances the participation in precarious work. You also have a large representation in the public sector with high coverage.

The Chair: Thank you very much.

We now move on to Madam Demers.

• (1605)

[Translation]

Ms. Nicole Demers (Laval, BQ): Thank you, Madam Chair.

Thank you very much for coming. I too have a lot of questions to ask. I would like to start perhaps with you, Ms. Bordeleau, since you are responsible for Canada Pension Plan policies.

Since you are responsible for such policies, do you take part in meetings that are now held annually in cooperation with Status of Women Canada, so as to take people into consideration in setting budgets or new policies?

Mr. Dominique La Salle: We work mainly with the provincial and federal Departments of Finance. The Canada Pension Plan is jointly administered with the provinces. Changes to the CPP require the support of two-thirds of the provinces and two-thirds of the population. We talk with the provincial finance ministers and our department "delivers the goods".

Ms. Nicole Demers: Mr. La Salle, were you able to determine the current cost of the basic needs basket for seniors?

[English]

A voice: The market basket measure, do you want to talk about that?

Mr. Dominique La Salle: Sure.

[Translation]

Before my colleague talks about this very interesting initiative, I would say that indexes are currently based on changes to the price index rate, as set by Statistics Canada. Our statistics on the poverty rate of seniors, which went from 20% in the 1980s to one of the best in the world, are based on a measure, referred to in English as the low income cut-off. But you referred to a different measure, and Thomas will tell you about it.

[English]

Mr. Thomas Shepherd: My group specifically is not the lead on the market basket measure. So if you had specific questions about how the basket is determined and so on, we could refer you to them, or they could—

[Translation]

Ms. Nicole Demers: Could you send us the information?

Mr. Thomas Shepherd: Yes.

Ms. Nicole Demers: Okay, thank you very much.

Could you tell me how old the 14.3% of women living alone and under the low-income cutoff are? I suspect they are among the oldest, and therefore the most vulnerable and living in even more precarious circumstances.

Mr. Thomas Shepherd: The 14.3% represents all female seniors. However, the low-income rate is higher among women aged 80 and over.

Ms. Nicole Demers: Of the 2.5 million women receiving Old Age Security benefits, how many are receiving the CPP or the QPP? Is it 1.5 million, since 1.5 million women are receiving the Guaranteed Income Supplement, or is it less than that?

Mr. Dominique La Salle: The two do not necessarily intersect.

Ms. Nicole Demers: Exactly.

Mr. Dominique La Salle: The two do not necessarily intersect. We would need to come back with an analysis of this, but there is, nevertheless, a major overlap.

Furthermore, this overlap is growing, since women's participation in the labour market has increased. However, they have not necessarily retired.

Ms. Nicole Demers: Good.

I would like to tell you about a specific problem. Whenever there is an increase in Quebec, be it in the QPP or any pension plan, Ottawa cuts the Guaranteed Income Supplement. For example, when there was a \$20 per month increase in Quebec, the Guaranteed Income Supplement decreased by \$40 per month. Individuals are even poorer than they were before Quebec handed out an increase.

Since you work in cooperation with the provincial governments, is there no way to work together to avoid such trauma for individuals who are becoming poorer and who are having trouble making ends meet?

In my riding, some people are crying because they do not have anything to eat. We are taking up collections to feed them. We are talking about individuals aged 80 and older. It is very sad, and we wonder what needs to be done to ensure the government can fix this problem. Clearly, it needs to be able to intervene.

• (1610)

Mr. Dominique La Salle: The Guaranteed Income Supplement is based on income. We exclude Old Age Security benefits and look at other income.

The attrition rate or reduction rate is not 100%. The example you gave of someone getting a \$40 increase and being subject to a \$40 cut is not exactly true. The cut is equal to half or 50%.

Ms. Nicole Demers: It is cut by over twice as much!

Mr. Dominique La Salle: No.

Ms. Nicole Demers: I am telling you, I have seen people's cheques.

Mr. Dominique La Salle: There must be other factors involved because the Guaranteed Income Supplement is subject to a 50% cut. If you earn \$1 more, you lose 50 ¢.

This kind of situation means that, the program, which costs \$32 billion per year...

Ms. Nicole Demers: Did you say \$32 billion?

Mr. Dominique La Salle: Yes, it is a lot of money. Benefits awarded under Old Age Security or the Guaranteed Income Supplement are based on an income assessment.

You referred to an interesting aspect, that of integrating our programs with provincial ones. Clearly, there is work to do in this area, for example, in information sharing.

We provide the provinces with information about individuals who may qualify for the Guaranteed Income Supplement, low-income earners, so that the provinces can, if they so wish, use that information to qualify individuals for provincial programs. It would be good to have information from the provinces in order to determine, for example, who is receiving social assistance.

We are talking about it, but it is not automatic.

Ms. Nicole Demers: Could I send you these individuals' applications?

Thank you, Madam Chair.

[English]

The Chair: Madam Demers, thank you.

Mr. Van Kesteren.

Mr. Dave Van Kesteren (Chatham-Kent—Essex, CPC): Thank you, Madam Chair.

Thank you for appearing before us. It has been very informative already: \$32 billion per year, the program costs.

My questions centre around those older women. I see that rate is declining, and I'm glad to see that, but I guess I think about my mother, who passed away two years ago in her 88th year. She was one of that generation who raised a large family, never "worked"—I say that with quotation marks—in the workforce, but spent her life raising a family and of course made a huge contribution, I think, to society too.

I guess I want to ask those questions. I would like to begin by asking, if we were to take the situation of an individual, of a lady, possibly, who's in her seventies, eighties, or nineties, do we have a way to compare today how they would rate? Are we moving forward? Are we providing more benefits for them? Or are they slipping?

That's my first question.

Mr. Thomas Shepherd: So are we providing more benefits generally to older women over time?

Mr. Dave Van Kesteren: There must be a way to gauge. We know from the index when we gauge inflation, perhaps—we use a certain basket of goods, as they call it. Is there some way to know? Is there a way your department tracks that, so we can say, yes, things are improving for these women or that things are actually getting worse?

Mr. Thomas Shepherd: There is no doubt that their median incomes are rising and that the proportion of them living below all the low-income cut-offs has declined substantially, no matter which measure you use.

Another measure to look at is net worth—asset levels, home ownership, and so on. I was surprised, looking at the figures on net worth among unattached women, but again over the last 15 to 20 years even net worth in terms of assets and wealth has also increased. Even when you look at income replacement rates, the proportion of women's income after retirement as a percentage of their pre-retirement income, again they have been generally comparable to men for some time. In terms of cost of living, the benefits are indexed to the cost of living once people are receiving them, so they do grow. The public benefits do grow.

• (1615)

Mr. Dave Van Kesteren: Continuing on in that direction, how do we compare internationally? Where do we rank in looking after single women who never contributed to CPP?

Mr. Thomas Shepherd: We do now have one of the lowest levels of low income among seniors in all family types in the OECD. I have a chart here that compares Canada, Australia, Germany, Netherlands, Sweden, U.K., and U.S. On this chart, the only country that has a lower rate of low income among seniors is the Netherlands. So we're substantially lower. The most recent data was in 2000, but the trend has been similar since then. The U.S. is at 28%, the U.K. 17%, Germany 10%, Australia 23%, and Canada 5%. So internationally there's no question, because our system is fairly targeted towards those lower-income individuals.

Mr. Dominique La Salle: I would just add the other side of that equation: is it sustainable? In the case of Canada, it is sustainable. Many countries have had some measures of success but may have built their system in such a way that it's not sustainable. So they have to look at pushing the age of retirement, increasing contribution rates, etc. So our situation is pretty good in that respect as well.

Mr. Dave Van Kesteren: We obviously have some international agreements. I want to ask you about the security agreements you have with various countries around the world. Why are they important?

Mr. Dominique La Salle: For a number of very important reasons. They're important for the individual to be able to have access to the benefits in Canada that would have been provided by another country, and vice versa. In that respect, because of the nature of the very important immigration in Canada, there is a lot more inflow, if you like, of pension moneys in the country than outflows. That's number one. There's an aspect of reciprocity of treatment in that.

The other thing is that it's also an economic argument. When we enter into such an agreement with a country for Canadian businesses doing business in that country, the Canadian expatriates who are there working temporarily are exempt from the local social security tax. They continue paying their CPP and accruing benefits here, but they're working in some other country.

So we have 52 agreements that are signed—50 are in place and implemented—and we are very busy negotiating at this time with India, Brazil, Argentina, etc.

Mr. Dave Van Kesteren: And presently we have an agreement for 10 years, I understand. Is that correct? And why is that important, say, as opposed to maybe somebody coming and receiving benefits right away, or three years down the road?

Mr. Dominique La Salle: I think you're referring to the residency requirement for the purpose of being eligible to receive OAS benefits. You need to have 10 years of residence. When we enter into an agreement, years of residence in another country can count for these years of residence. I want to be very clear that this is only for eligibility, it is not the issue of the level of the benefit. The level of the benefit is based on years of residence in Canada. If we sign an agreement with a country and someone from that country moves to Canada and has lived all his life here, that person may be eligible immediately for OAS and, by virtue of being eligible for OAS, are eligible for GIS, the guaranteed income supplement. But if that person moved to Canada a year ago and is now over 65, then one-fortieth of the benefit is paid.

• (1620)

Mr. Dave Van Kesteren: Do I have a little bit of time?

The Chair: No, I'm sorry. I've given you leeway to meet the others who went over a little bit, Dave.

Irene Mathysen.

Ms. Irene Mathysen: Thank you, Madam Chair.

I want to say thank you very much for coming here and providing all of this information.

You ended your presentation on a positive note, but I've been doing a lot of background reading, and it seems that there has been a shift from defined benefit retirement programs to defined contributions and, in the last, I don't know, 20 years, another shift to RRSPs.

In light of what's going on right now, with “too big to fail”, General Motors failing, with the number of companies that we see entering into bankruptcy, it seems that the precarious nature of pensions is very much with us. I noted that with DC plans, the shift is to workers taking the risk, and even at that, 60% of people have no private pensions.

I am wondering, are we facing a reversal of the pension gains that you described in your presentation? I'm very, very aware that stock markets are wonky at the best of times, and we've experienced that in the last little while. People have complained about losing and being afraid that their pensions are not secure. Do we have to be prepared for some very serious consequences in the next few years?

Mr. Thomas Shepherd: As you note, there has been a shift from DB to DC. People have been increasingly using their RRSPs as their primary retirement vehicle, which are more dependent on market returns and the market context. In terms of whether we are looking at a serious reversal in the shorter term, I would say I don't see anything in what we've seen so far that would indicate that. There are increased pressures, obviously, facing workplace pension plans, but in general the solvency ratios have picked back up a bit recently. There's a fair bit of stability still in the system, in terms of those who do have a plan, and as I noted, women are more likely to have that DB plan now.

I'll leave it at that.

Mr. Dominique La Salle: I would add that as the risk has shifted from the plan in a DB plan to the individual in a DC plan...I mean, there are advantages to both plans. The DC plan allows you to fund all your money in one lump sum—

Ms. Irene Mathysen: Is it more portable?

Mr. Dominique La Salle: Exactly. It's more portable and that sort of thing.

But will the individual have the knowledge to make an informed choice, which you find in a large pension plan where you have experts and so on? That is unclear. Speaking personally, I would not know where to park my money, aside from the usual average return type of instrument. There's lots of experience dealing with this around the world. Will people assume that risk? Will they make the decision to invest more or save more, and so on?

Some countries have tried innovative features, such as auto-enrolment and default investment instruments. In other words, they don't force you to invest, but... Sweden is an example. In Sweden, they brought in a reform. They auto-enrolled people. They have 700 different funds. Nobody can understand 700 different funds. But there is a default fund, or a couple of default funds, and I think they are age based. In other words, they are more conservative as you come closer to retirement. All of that is on, so to speak, cruise control. If you don't do anything, that's what happens.

• (1625)

Ms. Irene Mathysen: In your presentation you talked about the cost of CPP, OAS, and GIS being about \$32 billion each. While that sounds like a lot of money, I was thinking about the cost of not having that kind of protection. I know you're a number cruncher, but have you given some thought to what could happen if that kind of security was not there?

Mr. Thomas Shepherd: There is no question. On the guaranteed income supplement specifically, we do have figures that indicate what the rate of low income would have been if it had not been in place. It would be quite a bit higher.

Ms. Nathalie Martel: If I remember, I think right now the incidence of low income among seniors is 4.8%. That's based on 2007 figures. I believe that if the GIS did not exist, that rate would be around 16%. So the GIS makes a big difference.

Mr. Dominique La Salle: If that's not accurate, we'll send you a letter.

Ms. Irene Mathysen: Revenue Canada sends me lots of letters.

I wanted to come back to Madam Demers' question about income splitting. We noted in this committee, when we did a study in regard to the economic security of older women, that it does indeed negatively impact single women or single seniors. Those at the top, those who have that very substantive income, are able to reap benefits. I think that if the income was in the range of \$60,000, the benefit was about \$8,000, whereas at the lowest level there was no benefit at all. I am very worried about that and about how to make that more fair and equitable. How can Parliament make sure that those people at the bottom are benefiting in the same way as the people at the top?

Second, in the presentation you said that in those situations where there is income splitting, each spouse, even if one spouse didn't make significant contributions to CPP, would receive a payment in her own name. Does that mean that there is actually a cheque given to that spouse that is separate from her partner's?

Mr. Dominique La Salle: I will let Heather answer this, but regarding your first question about how we balance the benefits provided to higher-income Canadians with those to lower-income Canadians, the GIS is a case in point. The GIS is not available to higher-income Canadians.

Ms. Nathalie Martel: For a single individual to receive GIS you need to have an income below roughly \$15,000. Above that, you're not entitled. For couples, it's around \$22,000.

Mr. Dominique La Salle: For the question of income splitting, Heather.

Mrs. Heather Bordeleau (Director, Canada Pension Plan, Policy and Legislation, Department of Human Resources and

Social Development Canada): Yes. Actually, in the Canada Pension Plan it's more pension sharing, because we have credit splitting and then we have pension sharing. That's for couples who are together. The amount that goes out actually is never any more than would be paid out if there was just the one pension or the two pensions.

What it allows us to do is, in the case of a couple, looking at the income and also at their period of cohabitation, normally it's a 50-50 split. It's an equal split for that period. Yes, it does create a payment to the person whether they had no pension or whether they had a low pension. So it could move some money over to the other payment. That doesn't actually extend past the point of death or separation. It's almost like a temporary measure where they can split the payments.

• (1630)

The Chair: Thank you.

The time is up now. We're moving to the second round, which is now five minutes for questions and answers included.

Madam Zarac.

Mrs. Lise Zarac (LaSalle—Émard, Lib.): Thank you, Madam Chair.

I was very pleased to hear that the CPP is sustainable for 75 years. My Liberal colleagues and Paul Martin worked very hard to ensure that this would be the reality for all Canadians.

[*Translation*]

I want to ask a question. We know that individuals need to apply for the Guaranteed Income Supplement. Do you know how many people are not getting it?

Ms. Nathalie Martel: With regard to what is referred to in English as the take-up rate, a Statistics Canada study was published recently. In 2000, the much-talked-about take-up rate, or the percentage of those eligible for and receiving the Guaranteed Income Supplement compared to the total number of eligible individuals was 87%. In 2006, that rate had risen to 90%, according to Statistics Canada. So, the take-up rate is increasing annually. This is due, in large part, to efforts by the government to ensure that the public is aware of the benefit, that the formula has been simplified, that more vulnerable groups, such as aboriginals, the handicapped and the homeless have been better informed. Service Canada is working hard to try to reach those people to ensure they know about the benefit and apply for it.

Mrs. Lise Zarac: Do you know the amounts for women? Have they been calculated?

Ms. Nathalie Martel: What we do know is that the take-up rate by women is very similar. I do not have the exact figures, but I know that the Statistics Canada survey showed us that the improvement, since 2000, is also perceptible among women.

Mrs. Lise Zarac: It is similar but is it slightly lower or slightly higher?

Ms. Nathalie Martel: If I remember correctly, I believe it is slightly lower.

Mrs. Lise Zarac: Thank you.

Ms. Nathalie Martel: But I can check with the people at StatsCan who conducted the survey to find out if they have the exact figures.

Mr. Dominique La Salle: I simply want to add that I don't believe we will reach 100%, because people have to declare their income in order to get the Guaranteed Income Supplement. So, they will have to declare their income. There are people who, for personal reasons, do not. That is one thing.

We talked a little about discussions with the provinces to exchange information. That is exactly the kind of situation where it would be useful to get information to know who is receiving social assistance in one region, because the provinces are there, on the ground, with individuals, communities, etc. So the activities that Ms. Martel talked about and that Service Canada undertakes with at-risk or priority groups are done above all with community organizations who know who those people are. They know where the homeless are, and so on. We do not know. We are good for the major transfers, but we work with police services and so on to find individuals. We prepare materials.

Now, a one-time application is needed to get the Guaranteed Income Supplement. Previously, the application had to be filled out every year. Now, it's automatic as long as a tax return is filed; it's for life.

Mrs. Lise Zarac: It's encouraging to see that positive measures are being undertaken here.

I'd like to go back to what my colleague Ms. Demers mentioned.
[English]

The Chair: You have a very quick 10 seconds between the two of you.

[Translation]

Mrs. Lise Zarac: You are talking about 1% more in 2011, 1% more in 2014 and you are referring to a quarterly review of income. When we are talking about a very modest \$368, a \$10-cut is significant.

When you talk about reviews, is there a way, given current technology... I too have received complaints from people in my riding who say that ultimately, since the review, they are getting less. We are supposed to be giving them more, but they are getting less. If this \$368 is cut by \$10, this has a significant impact on someone's budget.

•(1635)

[English]

The Chair: Go ahead.

[Translation]

Mr. Dominique La Salle: I can't answer you. This concerns program integration; that is the issue.

[English]

The Chair: Thank you.

Cathy McLeod.

Mrs. Cathy McLeod (Kamloops—Thompson—Cariboo, CPC): Thank you, Madam Chair.

I would really like to thank the presenters. It has been quite a fascinating start to our study. I was very pleased and pleasantly surprised to see how much recognition there is already within the programs for women of their unpaid contributions over time, in terms of child-rearing.

The \$32 billion was just for the OAS and GIS, not the pension fund. Okay.

My next question is similar to ones we all hear from our constituents. I have an e-mail sitting on my desk from an 85-year-old lady. I'm not sure, but I think her CPP is indexed and went up slightly and she is seeing her GIS going down. She gave me three or four examples.

With someone living on CPP, GIS, and OAS, even though we do very well, intuitively you think that even if it's going down a couple of dollars.... I'm really trying to understand how that happens.

Mr. Dominique La Salle: I can speak to that.

We are living in a different time, with zero inflation. The OAS-GIS is indexed quarterly, and the CPP is indexed annually. There's not an exact match, so the CPP might be indexed based on the previous year and how prices have moved—an indexation of, say, 2%. The OAS is indexed quarterly, so maybe at the beginning of that period there was inflation, but for the second, third, and fourth quarters inflation was zero. That will only be caught by CPP the next year. But because OAS is done on a quarterly basis and you have zero inflation, your benefit does not increase. All these benefits are fully indexed to CPI, but not on the same frequency. At the end of the day, the indexation is the same over a period of time.

However, if you take a snapshot of this, the 85-year-old lady you are describing received an increase in her CPP because of the annual indexation for the last 12 months. This increased her income. Normally there would be an increase in the GIS due to inflation, but now there's no increase because there's zero inflation. So you see a reduction in the GIS because there's been an increase in the CPP. That reduction is 50%. It's the example Madam Demers was talking about. So an increase of one dollar in revenue, be it CPP or other, reduces the income-tested benefit.

That's the situation. It's very particular at this time because of the different frequencies of calculation of indexation.

Mrs. Cathy McLeod: So is there ever a net loss?

Mr. Dominique La Salle: No. Over a period of time, the two indexation schemes produce the same result. But at a particular time there can be differences.

Mrs. Cathy McLeod: So how can we explain this to an 85-year-old?

Mr. Dominique La Salle: You have to start by saying there was good intent. The good intent was that instead of indexing the GIS annually, we'll give you indexation every three months to really make sure that you're okay. It starts with good intent, and then you have those oddities that are there. The perfect scheme would probably be to have everything indexed the same, but then it's very difficult on the CPP front, as I understand.

• (1640)

Mrs. Heather Bordeleau: I think it's more on the OAS front, because the quarterly indexation is to the advantage of pensioners. You get the money earlier, and then, of course, it builds. With the CPP, like many other pension plans, it is indexed annually.

Mrs. Cathy McLeod: It sounds like the communication strategy needs to be much improved, because the perception is different from the reality, and it's a very hard-to-understand reality.

Mr. Dominique La Salle: Yes, it's complicated.

The Chair: Thank you.

Monsieur Desnoyers.

[Translation]

Mr. Luc Desnoyers (Rivière-des-Mille-Îles, BQ): Thank you, Madam Chair.

Welcome.

First, as long as we're patting ourselves on the back I want to highlight the Bloc Québécois' efforts. In Quebec, we have worked hard to tell people about the Guaranteed Income Supplement. As you said, it is based on the income tax returns of seniors. But this isn't easy to do. People need to be informed. Unfortunately, we must tell you that they're not really well-informed about this.

When we look at the wage gaps that currently exist between men and women in Canada, we see that they are about 28% to 30%, which is significant. In your opinion what impact does this have on women's retirement? We know that women often occupy precarious employment part-time or temporary jobs. Often they lose a permanent job and wind up in such employment, even if they represent the largest proportion of the working population in Canada. I know that these are projections, but perhaps it would be—

[English]

Mr. Thomas Shepherd: One of the interesting things about the pension system is that those with somewhat lower earnings actually get a higher level of benefit from the public system. Given that the system aims to allow people to have a generally smooth standard of living, people at lower income levels actually, because they get more from the public system, tend to have higher income replacement rates in some brackets. So lower salary doesn't necessarily mean less pension. Sometimes it makes it easier to achieve an adequate pension at a lower earnings level.

On the issue of precarious work—and we tried to look into that a bit—

[Translation]

Mr. Luc Desnoyers: We know that current government pension programs correspond almost exactly to the poverty line. You said so yourselves, additional benefits need to be added to this in order to

have a dignified and sufficient retirement program for women, since they are the ones who, quite often, wind up in such difficult situations.

So I will repeat my question. I don't want to know if the status quo is adequate. The current project with regard to the economic situation will have an impact, even in the near future, on women, including young women, who are currently on the labour market.

Stats Can is one saying all this, by the way.

[English]

Mr. Thomas Shepherd: The salary difference, though, is... The public system is not just providing a base for those with low income. The Canada Pension Plan is a pension program that replaces earnings. What I can tell you is that when you look at retirement income replacement rates in terms of retirement income as a percentage of pre-retirement income, the levels that you see from statistics and data—and you could invite them as well—show that even women with lower earnings levels have had comparable replacement rates—so have been making up some of the gaps that have been left by the public system through pensions and so on.

On the issue of the effect of the recession, as I did note, for those with a registered pension plan, women are now slightly more likely to have a defined benefit plan, which is less affected by market trends.

The Chair: You have one minute, give or take.

• (1645)

[Translation]

Mr. Luc Desnoyers: As I mentioned women now find themselves without access to RRSPs. In fact, they find themselves holding temporary or part-time employment, and these jobs are not the best paid. Often, these jobs only pay minimum wage or slightly more. Consequently, it is not common for them to invest in a retirement plan.

So what is precarious employment to you?

Mr. Dominique La Salle: I will respond by talking about changes proposed to the Canada Pension Plan that will allow people to get their pension. Currently, when you get your pension, you can no longer continue to contribute to the plan. We are changing all that. Individuals will be able, at an age they determine, to begin receiving their pension while continuing to work and contribute to improve their lives. They will be able to get their pensions—perhaps not an astronomical amount, but a base amount nonetheless—while continuing to earn income.

Mr. Luc Desnoyers: Before the age of 60?

Mr. Dominique La Salle: Starting at age 60, individuals can receive amounts under the Canada Pension Plan or CPP. The full pension is available starting at age 65; you can get a surplus if you start after the age of 65 and you get less if you start before. It is based on life expectancy, simply to be fair from an actuarial point of view. This change will, I believe, ensure much greater flexibility with regard to the jobs people work prior to retirement.

Mr. Luc Desnoyers: If I am not mistaken, you are saying that people need to work until they're 90 in order to get a good pension.

Oh, oh!

[English]

The Chair: Thank you very much, Mr. Desnoyers.

Ms. Mathysen.

Ms. Irene Mathysen: Thank you, Madam Chair.

I've noted that there have been some congratulations going around, but modesty prevents me from saying that Stanley Knowles, CCF and NDP MP, was the one who worked very hard to establish a Canada pension plan in the first place.

I want to talk about some specific groups among seniors who are likely to find their pension and retirement incomes inadequate. These include seniors who are immigrants, aboriginals, women, and those who live alone. Are there particular steps to take to ensure the adequacy of their income in retirement? What do we need to do in these specific cases?

Mr. Dominique La Salle: With a lot of outreach activities work—you just enumerated priority populations that are the subject of outreach activities—when we sign a new international social security agreement, we reach out to associations. For example, there is the agreement that just came into force on October 1 with Poland. We organized sessions with Polish community groups across the country, some of which were extremely well attended, with 1,000 people showing up to hear about what it would mean for them, what it would do, etc.

We're making some efforts to increase awareness of financial abuse. For example, the government launched a campaign last summer. This campaign is important. The campaign is on the airwaves right now.

There's no silver bullet, if you like, for this. The programs are there. They're not badly designed. They are quite effective for poorer Canadians, by international measures. Are we reaching everyone? I cannot tell you that we are. There's more work to do.

Ms. Irene Mathysen: It's something I hadn't thought of, but I'm quite interested in financial abuse of seniors and their being taken advantage of and defrauded of their pension incomes. Is there any sense of how often that happens?

• (1650)

Mr. Dominique La Salle: That's the thing with the issue of elder abuse; it takes many forms. It's under-reported and there's a taboo of sorts around it. That's why the government is making an effort here. It was the subject of discussion at federal-provincial meetings of the forum of ministers responsible for seniors. Senator LeBreton is the co-chair of the forum, where there is a lot of good collaboration on issues of interest to seniors, with all the provinces involved in a concerted effort. The first stage or first approach, if you like, was to raise awareness so that people would be aware there might be abuse.

There are other activities done with professionals in various organizations who may be at the front lines, such as bank tellers, nurses, doctors, lawyers, and so on, who may see a situation where there's abuse.

Ms. Irene Mathysen: It would be people such as the home care nurse or organizations like CARP, or those kinds of things?

Mr. Dominique La Salle: Yes, we're working with the national organizations.

Ms. Irene Mathysen: Thank you.

The Chair: You have less than a minute, Irene, but go for it.

Ms. Irene Mathysen: All right.

I wanted to pick up on the question begun by Monsieur Desnoyers. He asked how we would define precarious employment. What are some of the policy options that might alleviate the poverty those who rely on precarious employment might face in their senior years?

Mr. Thomas Shepherd: Just to add one thing on precarious employment, which Dominique mentioned in his remarks, when you look at the public system, the OAS, GIS, as well as CPP are available if you're self-employed and you pay the full employer-employee contribution. So those individuals do have access to vehicles.

And there's just one other thing to note here. With the introduction of tax-free savings accounts—and the Department of Finance might want to comment on this—people have an additional non-employment-related \$5,000 a year they can contribute. The capital gains there aren't taxed, and when you withdraw those moneys, they don't affect your GIS. So you do have a significant additional amount of room and a vehicle to use there.

The Chair: Thank you very much.

Sylvie Boucher.

[Translation]

Mrs. Sylvie Boucher (Beauport—Limoilou, CPC): Good afternoon everyone.

I will be sharing my time with Bruce.

Everyone is handing out bouquets: I too will hand out bouquets to us. As you know, today is a great day for our government. Our Minister of Finance was internationally recognized, proof that our government is on the right track. I think this is exceptional, particularly at such times of crisis. Now that we have patted ourselves on the back, I'm going to get down to more urgent business.

In my riding, something worked extremely well this summer, and this since the start. I am referring to the New Horizons for Seniors program. However we haven't heard a lot about it. Also, I would like you to tell us how this program works.

[English]

The Chair: It's not a pension, but a program.

[Translation]

Mrs. Sylvie Boucher: I want to know, this is also helping.

Mr. Dominique La Salle: I am not an expert in this program, but there are several parts to it. It provides assistance, with regard to real property, objects, tables, etc. Another aspect deals with awareness about elder abuse; this then relates to how a community is organized. There is also an aspect related to what I talked to Ms. Mathysen about, concerning national professional organizations. In fact, we offer organizations involving professionals in a position to detect abuse or mistreatment of seniors such as the Canadian Medical Association—I am pulling an example out of thin air—to develop material to educate their members so that these people can be identified. That's the nature of this program.

• (1655)

Mrs. Sylvie Boucher: I'd like to ask a question that I thought of earlier. Ms. Demers and everyone else talked about it. You said that there are a number of low-income seniors. The pension amount is based on the income tax return. You said that a number of people are not filing an income tax return. So we cannot identify these people and help them.

Mr. Dominique La Salle: They don't want to be helped.

Mrs. Sylvie Boucher: I understand. I have the same problem in my riding, like everyone else.

I am from Quebec. We talked about cuts a little earlier. People often think that it's because the provinces increased benefits that the federal government has cut them, but it doesn't work like that, they're completely separate.

Mr. Dominique La Salle: In fact, they are completely separate. The Guaranteed Income Supplement rate is set in accordance with your income. For Quebecers, if indexation has occurred, an increase in the Quebec Pension Plan, and there has been no increase in the Guaranteed Income Supplement because there has been no indexation, you see it. If you get \$1 more here, you lose 50¢ there.

Mrs. Sylvie Boucher: So they're completely separate.

Mr. Dominique La Salle: It's not integrated—

Mrs. Sylvie Boucher: They're not integrated.

Mr. Dominique La Salle: No, no, they're not integrated, it has nothing to do with integration.

Mrs. Sylvie Boucher: So it has nothing to do with the province, it's the way benefits are being calculated that is changing.

Mr. Dominique La Salle: That's the only reason why.

Mrs. Sylvie Boucher: Good, thank you.

[English]

The Chair: Thank you, Madam Boucher.

Mr. Stanton.

Mr. Bruce Stanton (Simcoe North, CPC): Thank you, Madam Chair.

This is a quick question going back to the question of old age security for permanent residents and other people who have a shorter term than 40 years in the country—the residency requirement, as they say. You may be aware that there have been proposals before the House to reduce that residency requirement from ten down to, say, three years, hypothetically. What would a measure like that cost, considering that for each increment you put in play, presumably the

benefit would decline also, because it's always taken as a percentage of the 40 years, isn't it? There's eligibility, but once you cross the eligibility line, then the benefit changes depending on residency.

Could you explain that?

Mr. Dominique La Salle: I'll do my best. It gets technical very quickly. Let me put it to you this way for starters.

The biggest part of the cost is on the GIS benefit. Once you're eligible for OAS, you're eligible for GIS; you're eligible for the guaranteed income supplement.

Mr. Bruce Stanton: It's not just the...?

Mr. Dominique La Salle: No. If it were just the OAS.... One-fortieth is what, \$30?

Ms. Nathalie Martel: It's \$38; it would be peanuts. You're referring to Bill C-428, aren't you?

[Translation]

Mr. Bruce Stanton: Yes.

[English]

Ms. Nathalie Martel: It's for the low-income immigrants that this bill is costly. It's estimated to cost \$700 million per year.

Mr. Bruce Stanton: Per year?

Ms. Nathalie Martel: Yes, and \$600 million of that is due to the increase in the GIS.

Mr. Bruce Stanton: So it's almost all GIS, about 80%?

Ms. Nathalie Martel: Yes.

[Translation]

Mr. Bruce Stanton: That is fine, thank you very much.

[English]

The Chair: Thank you very much. I would like to thank our witnesses very much for coming and answering some fairly complex questions.

I wonder whether we have the graph that Mr. Shepherd referred to earlier. Do we have it?

Mr. Thomas Shepherd: Do you mean the graph of international comparisons?

The Chair: Yes. You were looking at a graph of—

Mr. Thomas Shepherd: It's not there, but we can provide it.

The Chair: Would you please provide it to us?

Mr. Thomas Shepherd: Yes.

The Chair: We can pass it on to everyone. Thank you very much.

Let me ask you one quick question. You've talked about unpaid work and the valuing of unpaid work. It seems to me that your valuing of unpaid work only applies to couples. In other words, the people who are going to get the CPP splitting or the survivor benefit or the child-rearing dropout are all people—or nearly all, with the exception of the child-rearing dropout—in a couples situation. What about single people who still continue to look after an aged parent or who continue to look after an aged sister or a disabled person in the house? How do they get value for the unpaid work they do?

•(1700)

Mr. Dominique La Salle: It's through the general drop-out provision. That general drop-out provision, which is 15%, translates to roughly seven years. Seven years in your life when you have, say, zero income is taken out of the equation for the purpose of calculating the pension.

The Chair: Is that not only for child-rearing?

Mr. Dominique La Salle: No, that is in addition. This dropout provision is the one that is going to increase with the changes that are being proposed for the CPP.

The Chair: Thank you very much.

We will now go in camera. If you want to take a little break, we'll go in camera then, because we have a motion on the table. If you do not wish to go in camera, we do not have to.

We won't? Okay.

We won't go in camera, but we'll suspend for two minutes while you get a cup of tea or whatever.

•(1700)

(Pause)

•(1705)

The Chair: We're back in session.

[*Translation*]

Ms. Nicole Demers: Madam Chair, if I may, I would like to take two minutes, before we deal with the motion, to tell you some good news.

Ms. Sylvie Boucher: You're pregnant!

Ms. Nicole Demers: No but last spring, if you remember, my grandson helped arrest a pedophile he had met on the Internet. The pedophile was trying to catch him in his net and assault him. A trap was set for the pedophile, and my grandson helped arrest him. Yesterday, the man was sentenced to 7 years in a federal prison and 10 years under very closely monitored probation as a dangerous offender. I wanted to tell you this. I'm extremely proud of my grandson.

[*English*]

The Chair: That's very good.

[*Translation*]

Ms. Nicole Demers: I'm extremely pleased to see that the justice system works.

[*English*]

The Chair: That's good.

[*Translation*]

Ms. Nicole Demers: Even if Quebec does not apply mandatory minimum sentences, he was sentenced to seven years in a federal prison. So this means that it works.

Mrs. Sylvie Boucher: Nicole, I'm going to tease you a little bit because I love you very much. For once the Bloc Québécois is doing something! Oh, oh!

[*English*]

The Chair: All right. We have a notice of motion by Nicole Demers. It reads as follows:

Pursuant to Standing Order 108(2), that the following be reported to the House at the earliest opportunity:

That the Committee call on the government to respond to the report of Amnesty International and the United Nations regarding the hundreds of young Aboriginal women who have disappeared or been killed over the past 30 years.

Now we've opened it up. As per usual, Madam Demers will begin. She will speak to her motion and then we will have a discussion. At the end of the discussion, Madam Demers will close the debate.

[*Translation*]

Ms. Nicole Demers: Thank you very much, Madam Chair.

I am making this motion today because I'm extremely concerned by the situation in first nations communities, particularly with regard to women and especially young women. In Kitigan Zibi, right near here, in Maniwaki, two 16 and 17-year-old girls disappeared in September 2008. However nothing has been said about them, either on television, radio or in the papers.

A 16-year-old boy disappeared in the Saguenay region last spring, and we're still talking about it today. The search is ongoing. It's being talked about on the radio and television. I don't want to take away the right of parents whose child has disappeared to advertise their disappearance, but I think there is a lack of balance. Something needs to be done. It is not normal for young women, no matter what their profession is, to disappear or be killed and for there to be no investigation.

With regard to this file, Canada must be equitable, fair and responsible. We need to take measures, investigate, to prove to first nations communities, to whom we apologized last year, that they deserve to have the same rights and same freedom of action as everybody else, that they can go anywhere they so wish. At present, they do not have that right, and quite often they feel lost as soon as they leave their communities or reserves. Something needs to be done.

The Chair: Thank you, Madam.

Mr. Stanton.

[*English*]

Mr. Bruce Stanton: Thank you, Madam Chair.

There is no doubt that the circumstances surrounding the disappearance of the young aboriginal women—and I presume from the motion in front of us here that the report refers to the loss of young aboriginal women in Canada. It doesn't specifically say whether that was on an international dimension or as it relates to Canada.

The Chair: It is about Canada, actually.

Mr. Bruce Stanton: Okay. I don't see that in the English version, but anyway, the—

The Chair: I see what you're saying. You're saying that in the motion it doesn't mention Canada. The report of Amnesty International is about Canada.

Mr. Bruce Stanton: I suppose that underlines the problem. Because we're not in receipt of this report, to get an assessment of the appropriateness of the motion is very difficult for members. I am not saying at all to presuppose in any way that the report itself might be instructive and helpful. It may well be, and I know Madam Demers to be of the most forthright intentions here in putting this in front of the committee. But in all honesty, until we've had a look and can take a close look at this report to see what steps might be taken next, this might just be a bit premature.

I was going to say, though, there is no question that we need to be concerned, of course, about the evolution of this circumstance. It is disturbing to all of us. But I think Madam Demers hit on the right point, which is that what is required here is investigation of the disappearances. This is an effort that requires the greatest of coordination of law enforcement, of the provincial and territorial resources that can come to play to help do this. We need to be careful that we're not continuing just to have more debate about it and, for example, more public inquiries when the resources should be directed at the right outcomes.

That is just a matter of opinion, but I would say at this point on the specific motion that because we don't have the report in front of us—and by the way, it says “respond to the report of Amnesty International and the United Nations”. Is it a combined report?

[*Translation*]

Are there two reports?

• (1710)

Ms. Nicole Demers: Yes.

[*English*]

Mr. Bruce Stanton: It mentions “the report” in the singular, so again it leaves us not really knowing how quite to assess the motion. Perhaps if we had the report it might put us in a position where we could consider this motion further.

The Chair: Monsieur Van Kesteren.

Mr. Dave Van Kesteren: Thank you, Madam Chair.

I'd just like to echo what my colleague has said. I applaud Madam Demers for bringing this to committee. I think we're putting the cart before the horse, and I would agree with what Bruce has suggested, that we look at this report.

I was in British Columbia this summer and I travelled Highway 16, and the signs are up. It's a tragedy. It's not just a tragedy within the native community; people are talking about it inside the other towns too. They're all very concerned. People are more than concerned; they're somewhat frightened about what's going on.

I think there needs to be some investigation, and should this committee decide to look at that report, I would be in favour of that. That makes sense.

But I'm somewhat apprehensive about being directed by an outside organization, outside our Canadian federation, that would dictate and tell us we need to go in this direction or that direction. We are fully capable of doing those things, and I believe we have the will here to do the right things. And specifically, this tragic incident...it's a national tragedy.

My recommendation would be that should the committee decide, we should first look at this report and then possibly move from that report.

Thank you.

The Chair: Thank you very much, Mr. Van Kesteren. Am I hearing you suggest that if, at the end of the day, people have decided to investigate this further, this committee will do that?

Mr. Dave Van Kesteren: I think that makes more sense than for us to direct the government to act on a report by Amnesty International or the United Nations. We'd better look at that report first and then we can make a decision as to what we want to do.

The Chair: Thank you.

Ms. Mathyssen.

Ms. Irene Mathyssen: Thank you, Madam Chair.

I have to say that I very much like the idea of the government responding, because there has been a sense that we, as a nation, haven't responded adequately.

I'm a bit confused. The government itself has supported NWAC in doing research, so the government doesn't seem to be averse to receiving information and research. And certainly Amnesty International and the United Nations are eminently respectable bodies, and I'm quite sure the work they've done is quite legitimate and quite instructive. And I'm also quite sure that it's in response to a horrific situation that has been part of the tragedy that first nations women have faced over the last 20 years.

I would like to see that report, but I don't think that precludes our asking the government to take action to look at that report and respond to it. This very clearly is a national tragedy, and it's one we've been talking about for a number of years. I know that since I arrived here there has been a great deal of discussion about this. Discussion time is over. There needs to be a concrete action, and I would like to see that concrete action happen yesterday.

• (1715)

The Chair: Thank you.

Ms. Wong.

Mrs. Alice Wong (Richmond, CPC): I live in B.C. and I definitely know the challenges and all the tragic moments that have resulted because of the disappearance of these women. However, before I even have access to the report to read exactly what it says, I would probably not feel it is appropriate for us to vote and pursue the government to do something to respond to it. Before our committee responds, we have to look at what it actually says, how true it is, how we can act upon our responsibility, and what the resources are before we recommend to the government that they should take action.

Our committee has the due diligence to look at those reports thoroughly before we submit this. So I would probably ask that these reports at least be sent to us to study before we vote on this.

The Chair: Ms. Neville.

Hon. Anita Neville: I'm not speaking to the motion, Madam Chair. I only want clarification of what Mr. Van Kesteren said earlier. I missed it and I would appreciate it if you would clarify it for me. Maybe I heard it, but didn't understand it.

Mr. Dave Van Kesteren: May I, Madam Chair?

The Chair: Yes.

Mr. Dave Van Kesteren: I'm suggesting that we're putting the cart before the horse. I think we need to look at what this report says. I'm apprehensive about taking direction from an outside agency.

If George Bush in the United States were to have said to us last year that he wanted us to respond to the oil sands or something like that, we would be in an uproar—maybe not the oil sands, but something in our national jurisdiction. We certainly wouldn't....

The spirit of the motion is good. We should take direction. So I'm suggesting that we look at this report—it's not a motion—respond to the report, and then should our committee feel that it's necessary to direct government, that should be our decision.

Hon. Anita Neville: I guess the clarity I'm asking for is, in looking at the response, you're not suggesting this committee undertake an investigation or anything of that sort.

Mr. Dave Van Kesteren: No. I'm suggesting that before we do this, the right procedure would be to look at the report. It's not my motion to make. If somebody wanted to make that motion, that's entirely up to them.

Hon. Anita Neville: Okay.

To go back on your George Bush analogy—I can't let the moment pass—we did take direction on the United Nations Declaration on the Rights of Indigenous Peoples from George Bush and Mr. Howard, so there is a precedent for that.

I'll think about what I'm going to say here.

The Chair: Madam Boucher.

[*Translation*]

Mrs. Sylvie Boucher: I fully support the spirit of the motion, but I would really like to see the report. Furthermore, I would like us to look at it together after reading it and for us to make a decision. For my part, I haven't seen the report; I don't even have a copy. I would like to get one and read it. Then, I would like to a decision to be made in committee in order to decide where we are going. If we could have the report here by Friday, we could study it and talk about it in two weeks' time.

[*English*]

The Chair: Mr. Van Kesteren.

Mr. Dave Van Kesteren: I'm sorry, Madam Chair.

The Chair: You had your hand up earlier on.

Mr. Dave Van Kesteren: Yes, I did. I was—

The Chair: You think you've said all you have to say?

Mr. Dave Van Kesteren: Yes.

The Chair: That's okay.

Mr. Stanton.

Mr. Bruce Stanton: Thank you, Madam Chair.

I have a question to Madam Demers.

The motion calls on the government to respond. Respond to whom? Is that to Parliament? It's not clear to me who the

government is responding to. Is it to the United Nations, to the authors of the reports? It's a question.

I would say again, and I don't mean to be repetitive, that the motion is well placed, but really, in respect of committee members' ability to assess the question in front of them without the knowledge or the benefit of reading the report, it's almost impossible to make a decision on the question. I'm sure other members have looked at these reports, but some members clearly have not, so I think it would be out of place to expect members to be able to pass judgment on the motion in front of them.

• (1720)

The Chair: Thank you.

Monsieur Desnoyers.

[*Translation*]

Mr. Luc Desnoyers: Thank you very much, Madam Chair.

As Ms. Mathysen said, it has gotten to the point where, on a regular basis, things are happening to aboriginal women. We see that nothing is being done at any level of government, be it in British Columbia...

In my opinion, the federal government has a responsibility as Nicole said. We need to look at this issue and resolve it once and for all. I do not think that we need to apologize for that. We are saying that we need to follow up on this in order to resolve the problem. I think that this is a major and important issue.

Unfortunately, people seem to want to drag these things out. I don't know whether people are trying to get rid of this issue, but I think that it should not be our objective. Women are systematically being targeted when they leave reserves. The goal is to find solutions to this problem.

[*English*]

The Chair: Thank you, Mr. Desnoyers.

Mr. Van Kesteren, do you have anything specifically new?

Mr. Dave Van Kesteren: I do. I want to point out that we don't disagree. With respect to the motion, the government has a choice: it can act on it or ignore it. If you want real action, we're suggesting that we do it the right way. Let's look at the two reports and respond to them; then we can do something that makes sense. I'm not the government; the cabinet is the government. I would suspect that if they got an order from our committee to respond to reports from Amnesty International and the United Nations, they would simply dismiss them rather quickly.

The Chair: There are a couple of questions that need to be answered by Madam Demers before she rounds up this issue. I would hope that the government would not so easily dismiss a request from a standing committee of the House. I don't think you mean the government would ignore it. If it comes from the standing committee, the government has to respond to it within a certain period of time.

Mr. Dave Van Kesteren: I understand that. But what we're asking them respond to is a report from Amnesty International.

The Chair: I hope you wouldn't downplay the power of this committee as a committee of the House.

Mr. Dave Van Kesteren: Certainly not.

The Chair: Madam Demers, before you move on, there is a question to answer. To whom should the government respond? I think there was a bit of confusion. So I would like to make a friendly suggestion that your motion read:

That the committee call on the government to respond to the reports of both Amnesty International and the United Nations regarding the hundreds of young aboriginal women who have disappeared or been killed over the past thirty years in Canada.

That makes it clear what you're talking about. Would you mind those changes?

[Translation]

Ms. Nicole Demers: I know, Madam Speaker, but it is not to respond. Therein lies the problem, because, in French, it is "de donner suite aux rapports". I am not asking the government to respond to the committee or anything else, but to take action with regard to the Amnesty International or UN reports.

An hon. member: [Editor's note : inaudible]

Ms. Nicole Demers: However, you are reading in French, Sylvie. In French, it says "de donner suite aux rapports" it is not "to respond".

Mrs. Sylvie Boucher: It doesn't say the same thing in French and in English.

The Chair: "De donner suite" yes.

Ms. Nicole Demers: "De donner suite", to act on.

[English]

The Chair: We now have Madam Demers explaining exactly what she means.

I wanted to say that, regardless of whether you follow up or respond, they still don't know what the report is saying. There are many people who don't know what the report says—they've never seen it or heard of it. You may want to deal with that when you respond.

Madam McLeod.

• (1725)

Mrs. Cathy McLeod: I think I would go back to that even if we could defer or table it. I remember we had a great conversation about tabling.

The Chair: We discussed "tabling" under the old rules.

Mrs. Cathy McLeod: Is it already available in French and English? I don't know. I would think we should wait until the reports have been circulated in both official languages.

The Chair: I'm trying to check whether it is available in both official languages.

Hon. Anita Neville: It is.

The Chair: It's in both languages?

Hon. Anita Neville: I just picked it up in English.

The Chair: Yes, it is in both languages.

Madam Demers, what is your response?

[Translation]

Ms. Nicole Demers: Thank you, Madam Chair.

Madam Chair, in the two reports I mentioned in the motion are reports on the concerns of *Sisters In Spirit*, which is reporting on concerns that have already existed for 30 years, concerns of the aboriginal community. They are only reporting such concerns and are only reinforcing the demands by aboriginal communities for action. That is what those two reports are doing, because the government has not taken action.

I fail to understand what more can be learned from reading the reports. Because the reports relate the situation exactly as we know it, as was reported to us by Sisters In Spirit. For years, the past five years, during which they have been receiving funding from Status of Women Canada in order to be able to move forward with their concerns, Sisters In Spirit have been telling us what is happening.

It is time for action, Madam Chair. It is time for the government to take action and to respond to demands by the aboriginal communities. These demands are now supported by two independent organizations: Amnesty International and the United Nations Organization. They are asking for the same thing. They are saying that these women are right to be concerned, that an investigation and a national plan are essential, and that now is the time for action, not in six months or a year from now.

That's all, Madam Chair.

[English]

The Chair: I don't think we can entertain any further debate. Madam Demers has spoken. We have two minutes left, and I would like to see us make a decision on whether we're going to vote on this or whether Madam Demers will accept the suggestion that people be given the report and deal with it the following Tuesday, once they've had a chance to read it.

I don't think it's a dismissal of your motion.

[Translation]

Ms. Nicole Demers: We are not here on the following Tuesday, Madam Chair.

[English]

The Chair: I know we have a week off, but can it be given out and dealt with on Thursday? Can people read the report in a day? It's a very thin report. If we can get you that report tomorrow morning, we may be able to look at this on Thursday afternoon. That would give you a day and a half to look at it.

I would like to see something as important as this not fall prey to a standoff. We need to find a way to deal with it in a manner in which everyone can make suggestions so we can come together and truly vote on this in a reasonable fashion.

We will not have any more discussion, because I need Madam Demers' position on this before we go any further. We will have to end in a minute.

Madam McLeod.

Mrs. Cathy McLeod: If we could have the report tomorrow, we would welcome discussing it on Thursday.

Thank you very much.

The Chair: We will deal with it on Thursday. All right.

And thank you very much.

Madam Demers.

[*English*]

[*Translation*]

Ms. Nicole Demers: In a spirit of cooperation, Madam Chair, and a desire for this file to be considered, I am prepared to wait until Thursday.

The Chair: Thank you very much, Madam Demers. You have once again shown us what cooperation and collaboration can do.

The meeting is adjourned.

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